

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2001-50-C - ORDER NO. 2001-479
MAY 23, 2001

IN RE: Application of West Carolina)	ORDER
Communications, LLC for a Certificate of)	GRANTING
Public Convenience and Necessity to Provide)	CERTIFICATE FOR
Local Exchange, Exchange Access, and)	LOCAL AUTHORITY,
Ancillary Services to Customers Located in)	FOR FLEXIBLE
Those Areas of the State of South Carolina)	REGULATION, AND
Currently Being Served by Verizon South,)	FOR EXPEDITED
Inc., that are Located Within the Outer)	REVIEW
Boundary or Are Contiguous to the Local)	
Service Area of West Carolina Rural)	
Telephone Cooperative, Inc., and Request for)	
Flexible Regulation.)	

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of West Carolina Communications, LLC ("West Carolina") or the ("Company") requesting a Certificate of Public Convenience and Necessity to provide local exchange, exchange access, and ancillary telecommunications services in the State of South Carolina. The Company specifically proposes to provide its services to customers located in those areas of South Carolina currently served by Verizon South, Inc., that are located within the outer boundary or are contiguous to the local service area of West Carolina Rural Telephone Cooperative, Inc. Specifically, West Carolina seeks to provide services in the Abbeville, Calhoun Falls, and McCormick exchanges currently served by Verizon. Additionally, West Carolina requests that the Commission regulate its local service in accordance with the principles and procedures established for flexible regulation by Order No. 98-165 in Docket No.

97-467-C. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2000) and Section 253 of the Telecommunications Act of 1996.

By letter dated February 28, 2001, the Commission's Executive Director instructed West Carolina to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to provide notice of the Application to any interested parties and to advise interested parties of the manner and time in which to file pleadings to participate in the proceedings. West Carolina complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene, letters of protest, or comments were received by the Commission with regard to the Application. Subsequent to the filing of the Application, West Carolina requested expedited review and disposition of the Application.

West Carolina is a wholly-owned subsidiary of West Carolina Rural Telephone Cooperative, Inc. The Company was organized as a limited liability company in the State of South Carolina on February 13, 1998. By Order No. 1999-613, dated September 1, 1999 and issued in Docket No. 1999-306-C, this Commission granted West Carolina Communications, LLC a certificate of public convenience and necessity to operate as a reseller of intrastate interexchange telecommunications services in the State of South Carolina.

MOTION FOR EXPEDITED REVIEW

Subsequent to notice of the Application being published and after the return date expired with no intervention or opposition, West Carolina requested expedited review and disposition of the Application. Along with the Motion for Expedited Review, West Carolina filed verified

testimony to support the Application. The matter was brought then to the Commission for consideration.

Upon consideration of West Carolina's request for expedited review, the Commission finds that expedited review should be granted. By its request, West Carolina waives its right to a formal hearing. The Commission finds that notice of the Application was properly afforded to the public and that no interested person sought to become a party to the proceeding. The Commission finds that procedural due process was afforded in this matter and further finds that West Carolina made a knowing waiver of a formal hearing. Therefore, the Commission will consider the Application in the context of its regularly scheduled weekly meeting, with court reporter present, and for purposes of the expedited review, the Commission will deem the examination of the Application and verified testimony during the course of the Commission's regularly scheduled meeting with court reporter present as a hearing on this matter.

EXAMINATION OF THE APPLICATION AND VERIFIED TESTIMONY

According to the Application and the verified testimony of Gary A. Tilley, Commercial Manager of West Carolina Rural Telephone Cooperative, Inc., West Carolina wishes to provide local exchange and exchange access services to residential and business customers located in those areas of the State of South Carolina presently served by Verizon South, Inc., that are located within the outer boundary or are contiguous to the local service area of West Carolina Rural Telephone Cooperative, Inc. Specifically, West Carolina seeks to provide services in the Abbeville, Calhoun Falls, and McCormick exchanges currently served by Verizon.

In addition, West Carolina requested that the Commission regulate its local exchange telecommunications services under the flexible regulatory treatment approved by Order No. 98-

165 in Docket No. 1997-467-C. Specifically, West Carolina requested that the Commission adopt for West Carolina a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels. Further, West Carolina requested that its tariff filings be presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filings, in which case such tariff filings would be suspended pending further Order of the Commission, and that any tariff filing will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

Mr. Tilley addressed West Carolina's managerial, financial, and technical ability to provide local exchange telecommunications services in South Carolina. He said he started his telecommunications career with United Telephone Company in Tennessee in 1989 as a communications consultant. He was promoted later in 1989 to Division Sales Manager of United Telephone of South Carolina. In June of 1994, he became employed as Commercial Manager for West Carolina. Mr. Tilley said the officers of West Carolina have extensive experience in providing telecommunications services to customers in South Carolina. The record reveals that David J. Herron, President of West Carolina Communications has been General Manager of West Carolina Rural Telephone Cooperative, Inc., a incumbent local exchange company, since 1988. He was employed by the Rural Electrification Administration, where he was directly involved in the rural telecommunications industry, for seventeen years. John A. McAllister is Vice President. Mr. McAllister is the second generation principal owner and operator of the family business, McAllister & Sons. He is a charter member and President of the Board of West Carolina Rural Telephone Cooperative, Inc. The record further reveals that Sam G. Gilliam is West Carolina's Secretary. Mr. Gilliam received a BS degree from Clemson University and later

retired from Clemson after working in its regulatory department. He has served on the Board of West Carolina Rural Telephone Cooperative, Inc. since 1971. James T. Hester is the Company's Treasurer. Mr. Hester is retired from the South Carolina Department of Agriculture. He is a Vice President of West Carolina Rural Telephone Cooperative, Inc.

Regarding the Company's financial ability to offer telecommunications services in South Carolina, Mr. Tilley testified that West Carolina Rural Telephone Cooperative, Inc. and its subsidiaries are financially sound. A review of the parent company's audited consolidated financial statements of dated December 31, 2000 reveal a financially strong company. As of that date, cash made up 7.42% of the total assets. The current ratio was 7.09. Long-term debt was 9.85% of total liabilities and equity. Patronage capital and total equity both were positive.

Upon consideration of the application and the record from the hearing, the Commission makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. West Carolina is organized as a corporation under the laws of the State of South Carolina and is authorized to do business in the State of South Carolina by the South Carolina Secretary of State.
2. West Carolina wishes to provide local exchange services within the State of South Carolina.
3. The Commission finds that West Carolina possesses the technical, financial, and managerial resources sufficient to provide the service requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 2000).

4. The Commission finds that West Carolina's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 2000).

5. The Commission finds that West Carolina will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 2000).

6. The Commission finds that West Carolina will provide services which will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 2000).

7. The Commission finds that the provision of local exchange service by West Carolina "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 2000).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to West Carolina to provide competitive intrastate local exchange services within the State of South Carolina.

2. West Carolina shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. West Carolina's local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for West Carolina's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously

approved by the Commission. Further, West Carolina's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

3. West Carolina shall resell or provide the services of only those companies authorized to provide telecommunications services in South Carolina by this Commission.

4. West Carolina shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

5. West Carolina shall file annual financial information in the form of annual reports and gross receipt reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, West Carolina shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form the Company shall use to file annual financial information with the Commission can be found at the Commission's web site at www.psc.state.sc.us/forms. This form is entitled "Annual Report for Competitive Local Exchange Carriers". Additionally, pursuant to the Commission's regulations, the Company shall file a CLEC Service Quality Quarterly Report with the Commission. The proper form for this report is Form #110 and can be found at www.psc.state.sc.us/forms/default.htm.

6. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more

commonly known as a “911 system” or “911 service.” Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs West Carolina to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association (“SC NENA”) with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, West Carolina shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company’s operations as required by the 911 system.

7. The Company shall, in compliance with Commission regulations, designate and maintain authorized utility representatives who are prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the names of the authorized representatives to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

West Carolina shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form

the Company shall use to file this authorized utility representative information can be found at the Commission's website at www.psc.state.sc.us/forms. This form is entitled "Authorized Utility Representative Information." Further, the Company shall promptly notify the Commission in writing if the representatives are replaced. West Carolina shall also file with the Commission a copy of its general Bill Form as required by S.C. Code Regs. 103-612.2 and 103-622 (1976 and Supp. 2000).

8. West Carolina is directed to comply with all Commission regulations, unless a regulation is specifically waived by the Commission.

9. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

William Paul

Chairman

ATTEST:

Mary E. Walsh
Executive Director

(SEAL)